

EXHIBIT C

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 Adv. Case No. 08-01789-smb
4 - - - - - x
5 SECURITIES INVESTOR PROTECTION CORPORATION,
6 Plaintiff,
7 v.
8 BERNARD L. MADOFF INVESTMENT SECURITIES, LLC. Et al,
9 Defendants.
10 - - - - - x
11 Adv. Case No. 09-01503-smb
12 - - - - - x
13 IRVING H. PICARD TRUSTEE FOR THE LIQUIDATION OF BERNARD L.
14 MADOFF INVESTMENT SECURITIES LLC,
15 Plaintiff,
16 v.
17 MADOFF, et al,
18 Defendants.
19 - - - - - x
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1 Adv. Case No. 10-04285-smb

2 - - - - - x

3 IRVING H. PICARD TRUSTEE FOR THE LIQUIDATION OF BERNARD L.

4 MADOFF INVESTMENT SECURITIES LLC,

5 Plaintiff,

6 v.

7 UBS AG, UBS (LUXEMBOURG) SA et al,

8 Defendants.

9 - - - - - x

10 Adv. Case No. 10-05311-smb

11 - - - - - x

12 IRVING H. PICARD TRUSTEE FOR THE SUBSTANTIVELY CONSOLIDATED

13 SIPA LIQUIDATION OF BERNARD L. MADOFF INVESTMENT SECURITIES

14 LLC and BERNARD L. MADOFF,

15 Plaintiff,

16 v.

17 UBS AG, UBS (LUXEMBOURG) SA et al,

18 Defendants.

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U.S. Bankruptcy Court
One Bowling Green
New York, NY 10004
April 27, 2016
10:00 AM

B E F O R E :
HON STUART M. BERNSTEIN
U.S. BANKRUPTCY JUDGE

1 transferees. It's going to be relevant, it isn't going to
2 go away. So why not start the discovery now?

3 MR. KING: Well the -- sure.

4 MR. MOORE: Good morning, Your Honor. Brett Moore
5 from Porzio, Bromberg & Newman on behalf of the liquidators
6 for the Luxalpha and Luxembourg Investment Fund. And just
7 to be clear, Your Honor, we do have pending -- as alleged
8 initial transferees, we have pending, right now, motions to
9 dismiss based on personal jurisdiction as well as forum non
10 conveniens. And we do intend to bring substantive 12(b)(6)
11 motions on what Mr. King's --

12 THE COURT: You're an initial transferee that
13 invested in BLMIS, how are you going to get a dismissal on
14 those grounds?

15 MR. MOORE: Well, Your Honor, it's -- the service
16 providers that were operating with these funds, we believe,
17 were the parties that were taking the steps and filed the
18 claims and dealt with Mr. Madoff and BLMIS.

19 THE COURT: But weren't they acting as your agent?

20 MR. MOORE: Yes, Your Honor. And you get into the
21 question of whether they were acting within the scope of
22 their --

23 THE COURT: But you were investing in BLMIS,
24 right?

25 MR. MOORE: The funds invested -- the fund's

1 proceeds were invested in BLMIS.

2 THE COURT: Okay. You represent the initial
3 transfer -- the invest -- the BLMIS customer and the initial
4 transferee then.

5 MR. MOORE: Correct, Your Honor.

6 THE COURT: So how can those claims be dismissed
7 on forum non conveniens grounds or personal jurisdiction
8 grounds?

9 MR. MOORE: They may not be dismissed Your Honor,
10 but we have -- we believe the arguments are strong, forum
11 non conveniens. There are pending cases in Luxembourg
12 involving a lot of these same parties right now.

13 THE COURT: But these are SIPA claims of
14 fraudulent transfers. Look, I haven't read any papers, I
15 just -- that sounds like a difficult argument to make.

16 MR. MOORE: But --

17 THE COURT: If you want to argue that the
18 complaint doesn't allege bad faith, maybe it's just a red
19 flag case, I don't know what it says, that's something else,
20 but --

21 MR. MOORE: But exactly, Your Honor.

22 THE COURT: But you still have your claims in here
23 as part of the claims resolution process, don't you?

24 MR. MOORE: That's correct, Your Honor. But with
25 respect to the safe harbor of 546, the good faith issues, we

1 believe that those things should be presented before the
2 Court and decided before we engage in discovery.

3 THE COURT: Tell me why. What's the difference
4 between the discovery relating to claims -- the claims and
5 discovery that might be relevant to whether or not you
6 received transfers?

7 MR. MOORE: Well because if Your Honor -- if the
8 good faith under the fraudulent transfer action is going to
9 be duplicative of whether these claims should be equitably
10 subordinated. So if the trustee has not proven that these
11 claims should be -- that he can proceed with a fraudulent
12 conveyance claim, I would submit then, therefore there is no
13 basis, at this point in time, to suggest that there should
14 be a substantive -- an equitable subordination either.

15 And I believe if we go back to Judge Rakoff's
16 ruling, he essentially had indicated that the two standards
17 would be the same in both of those instances.

18 THE COURT: Which two standards?

19 MR. MOORE: Under --

20 THE COURT: Bad faith and equitable subordination?

21 MR. MOORE: Correct, Your Honor.

22 THE COURT: All right.

23 MR. KING: Your Honor, I had one -- I'll -- one
24 question you asked was how is the discovery going to be
25 different. From the perspective of every defendant here,

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya

Ledanski Hyde

Digitally signed by Sonya Ledanski
Hyde
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Date: April 28, 2016